

## **Program B: Financial Accountability and Control**

Program Authorization: La. Constitution, Article III, Sec. 16 and Article IV, Section 9; R.S. 36:765-766; R.S. 39:82; R.S. 49:307 and 327

### **PROGRAM DESCRIPTION**

The mission of the Financial Accountability and Control Program is to provide the highest quality accounting and fiscal controls of all monies deposited in the Treasury; to assure that monies on deposit in the Treasury are disbursed out of the Treasury in accordance with constitutional and statutory law for the benefit of the citizens of the State of Louisiana; and to provide for the internal management and finance functions of the Treasury. The accomplishment of this mission involves:

- Keeping a true, just and comprehensive account of all public money received and disbursed. The Treasury is responsible for establishing the fund structure in the state's accounting system according to constitutional and statutory provisions and for approving accounting structure that provides a means for classification of revenues into the funds.
- Keeping an accounting of all investments and related investment income. The Treasury tracks all cash transactions for sales and purchases to ensure that all investment activity is accounted for.
- Disbursing public money in accordance with appropriations and laws and performing procedures to ensure monies are disbursed out of the treasury pursuant to a specific appropriation. The Treasury reviews appropriation structure for input of the state's budget into the state's accounting system to ensure monies are drawn out of the Treasury pursuant to law.

The goal of the Financial Accountability and Control Program is to provide an accurate accounting and reconciliation of all public monies on deposit in the Treasury and to control disbursement of these monies in a manner that ensures disbursements are made in accordance with provisions of the Louisiana Constitution.

In numerical terms, the state treasurer receives over 6 million deposit items included in over 73,000 deposits per year, totaling over \$14 billion. In turn, the state treasurer releases over 400,000 checks to pay vendors through the Advantage Financial System and monitors agency bank accounts, which issue over 4.3 million checks for various programs. Additionally, the Financial Accountability and Control Program also distributes over \$230 million to local governments under the authority of 14 distribution programs.

GENERAL PERFORMANCE INFORMATION: FINANCIAL ACCOUNTABILITY AND CONTROL					
PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1994-95	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Number of special funds in the State Treasury	195	232	235	293	325
Number of deposit items processed through the central depository bank account	5,426,854	5,104,765	5,472,872	5,501,965	5,920,589
Average number of days to perform central depository bank account monthly reconciliation	Not available	Not available	75	50	35

## OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

**The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.**

1. (KEY) To ensure that all department programs are provided support services to accomplish 100% of their operational objectives by June 30, 2001.

Strategic Link: This operational objective represents the basic support functions of the department as outlined in Louisiana Revised Statutes 36:765-766 and as described in the Authority Section of the Financial Accountability and Control Program's portion of the department's strategic plan. This operational objective is part of a voluntary pilot model for administrative and support services programs.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Percentage of department objectives not accomplished due to insufficient support services	Not applicable <sup>1</sup>	Not available <sup>2</sup>	0%	0%	0%	0%
K	Number of repeat audit findings related to support services reported by the legislative auditor	Not applicable <sup>1</sup>	0	0	0	0	0

2. (KEY) To develop and issue a Request for Proposals (RFP) for a new central depository banking services contract to replace the current contract that ends October 31, 2001.

Strategic Link: This operational objective is a component of the program's Strategic Goal I: *The Financial Accountability and Control Program will provide an accurate accounting and reconciliation of all public monies on deposit in the Treasury and will control disbursement of those monies in a manner that ensures disbursements are made in accordance with Article III, Section 16 and Article IV, Section 9 of the Louisiana Constitution of 1974.* This objective represents FY 2000-01 plans to provide centralized banking services for the state treasury and state agencies to deposit and disburse public funds. The central banking services contract is an essential part of the state's cash management program.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Percentage completion of issuance of RFP for new central depository banking service	Not applicable <sup>1</sup>	Not applicable <sup>1</sup>	Not applicable <sup>1</sup>	Not applicable <sup>1</sup>	100%	100%

<sup>1</sup> This is a new performance indicator. It did not appear under Act 19 of 1998 or Act 10 of 1999 and has no performance standards for FY 1998-99 and FY 1999-00. The indicator measures an activity that will occur in FY 2000-01 and therefore has no estimated yearend figure of FY 1999-00.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$446,205	\$448,097	\$448,097	\$579,352	\$441,880	(\$6,217)
STATE GENERAL FUND BY:						
Interagency Transfers	1,049,924	955,063	955,063	955,063	955,063	0
Fees & Self-gen. Revenues	167,115	671,506	671,506	619,071	699,601	28,095
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	1,000	1,000	1,000	1,000	0
TOTAL MEANS OF FINANCING	<b>\$1,663,244</b>	<b>\$2,075,666</b>	<b>\$2,075,666</b>	<b>\$2,154,486</b>	<b>\$2,097,544</b>	<b>\$21,878</b>
EXPENDITURES & REQUEST:						
Salaries	\$685,118	\$725,035	\$725,035	\$753,671	\$724,283	(\$752)
Other Compensation	4,965	6,000	6,000	6,000	6,000	0
Related Benefits	137,436	126,984	126,984	130,506	132,273	5,289
Total Operating Expenses	46,312	66,387	66,387	67,715	52,794	(13,593)
Professional Services	16,358	5,000	5,000	5,000	5,000	0
Total Other Charges	743,305	1,091,804	1,091,804	1,109,043	1,094,643	2,839
Total Acq. & Major Repairs	29,750	54,456	54,456	82,551	82,551	28,095
TOTAL EXPENDITURES AND REQUEST	<b>\$1,663,244</b>	<b>\$2,075,666</b>	<b>\$2,075,666</b>	<b>\$2,154,486</b>	<b>\$2,097,544</b>	<b>\$21,878</b>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	18	18	18	18	18	0
Unclassified	0	0	0	0	0	0
TOTAL	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>0</b>

## SOURCE OF FUNDING

This program is funded with State General Fund, Interagency Transfers, Fees and Self-generated Revenue, and Federal Funds. The Interagency Transfers are derived from various state agencies for the cost of central depository bank services. Fees and Self-generated Revenue are derived from implementation of the securities lending program. The Federal Funds are derived from the audit cost of federal programs.

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
<b>\$448,097</b>	<b>\$2,075,666</b>	<b>18</b>	<b>ACT 10 FISCAL YEAR 1999-2000</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$0	0	None
<b>\$448,097</b>	<b>\$2,075,666</b>	<b>18</b>	<b>EXISTING OPERATING BUDGET – December 3, 1999</b>
\$13,518	\$13,518	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$19,055	\$19,055	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	\$82,551	0	Acquisitions & Major Repairs
\$0	(\$54,456)	0	Non-Recurring Acquisitions & Major Repairs
\$2,839	\$2,839	0	Legislative Auditor Fees
(\$12,304)	(\$12,304)	0	Salary Base Adjustment
(\$21,125)	(\$21,125)	0	Attrition Adjustment
(\$8,200)	(\$8,200)	0	Continuation of reductions imposed by Executive Order MJF 99-52 in FY 00-01
<b>\$441,880</b>	<b>\$2,097,544</b>	<b>18</b>	<b>TOTAL RECOMMENDED</b>
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$441,880</b>	<b>\$2,097,544</b>	<b>18</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001</b>
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL</b>
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$441,880</b>	<b>\$2,097,544</b>	<b>18</b>	<b>GRAND TOTAL RECOMMENDED</b>

The total means of financing for this program is recommended at 101.1% of the existing operating budget. It represents 97.4% of the total request (\$2,154,486) for this program. At the recommended level of funding, this program should provide approximately the same levels of service.

## PROFESSIONAL SERVICES

\$3,000	Computer Network maintenance
\$2,000	Educational, Training, and other professional services deemed appropriate and necessary to carry out the mission of the department

**\$5,000    TOTAL PROFESSIONAL SERVICES**

## OTHER CHARGES

\$1,004,504	Fees charged by the central Depository band for services rendered
\$39,931	Legislative Auditor Charges

**\$1,044,435    SUB-TOTAL OTHER CHARGES**

### Interagency Transfers:

\$18,985	Department of Justice for legal services
\$1,223	Civil Service Fees
\$30,000	La. Tech. University for Population Census Estimations

**\$50,208    SUB-TOTAL INTERAGENCY TRANSFERS**

**\$1,094,643    TOTAL OTHER CHARGES**

## ACQUISITIONS AND MAJOR REPAIRS

\$82,551	Data Processing replacement equipment
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**\$82,551    TOTAL ACQUISITIONS AND MAJOR REPAIRS**